

To the Members of the California State Senate:

I am returning Senate Bill 1435 without my signature.

This bill authorizes the State Lands Commission to carry out a boundary settlement and trust exchange of specified lands on the former Oakland Army Base. One of the parcels impacted by this bill is important to the Department of Transportation as it is being used as a maintenance facility.

The Department of Transportation, the City of Oakland, and the Port of Oakland have been in negotiations over the use of the Public Trust Lands on the site of the former Oakland Army base. My administration engaged in good faith negotiations with the author over the provisions in the bill. Unfortunately, the legislative session came to closure before an equitable agreement could be concluded. Although negotiations are continuing and seem destined to reach an agreement, the language in this bill does not reflect the current status of agreements and as such, the state's interests are not protected adequately. I cannot sign this legislation until negotiations are completed.

I look forward to working with Senator Perata and the Legislature to pass a bill that meets the development needs of the City and Port, while also ensuring that the state's future rights for the public trust lands are protected.

Sincerely,

Arnold Schwarzenegger